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BANQUE CANADIENNE NATIONALE



SIXTY-SEVENTH
ANNUAL REPORT
NOVEMBER 29, 1941

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BANQUE CANADIENNE NATIONALE

Established 1874

Head Office: MONTREAL

Paid-up Capital and Reserve Fund, \$12,000,000.00

Assets, \$171,586,768.88

SIXTY-SEVENTH
ANNUAL REPORT

1941

BANQUE CANADIENNE NATIONALE

BOARD OF DIRECTORS

BEAUDRY LEMAN, *President and Managing Director*

SIR GEO. GARNEAU, *Vice President*

CHAS. LAURENDEAU, K.C., *Vice President*

L. J. ADJUTOR AMYOT

C. E. GRAVEL

HON. C. P. BEAUBIEN

A. J. MAJOR

ARMAND CHAPUT

HON. J. NICOL

AUGUSTE DESILETS, K.C.

LEO G. RYAN

HEAD OFFICE

CHAS. ST-PIERRE - - - - - *General Manager*

YVON LAMARRE }
HENRI DES RIVIÈRES } - - - - - *Assistant General Managers*

J. A. DULUDE - - - - - *Superintendent*

P. DE L. TACHÉ - - - - - *Manager, Credit Department*

ULRIC ROBERGE - - - - - *Chief Inspector*

A. COURTOIS - - - - - *Chief Accountant*

A. G. RUSSELL - - - - - *Quebec District Manager*

LÉON LORRAIN - - - - - *General Secretary*

221 Branches — 313 Agencies

BANQUE CANADIENNE NATIONALE

SIXTY-SEVENTH ANNUAL GENERAL MEETING OF SHAREHOLDERS OF THE BANQUE CANADIENNE NATIONALE

Record of Proceedings at the Sixty-seventh Annual General Meeting of Shareholders held on Thursday, the 8th of January, 1942, at twelve o'clock noon, at the Head Office of the Bank, Place d'Armes, Montreal, Canada.

Among those present were: Mr. L. J. A. Amyot, Hon. C. P. Beaubien, Messrs L. E. Beaulieu, K.C., Geo. E. Beaupré, Ph. Béchard, B. Bélanger, L. Bouthillier, Jean Casgrain, Armand Chaput, Emile Chaput, Arthur Courtois, J. E. Coutu, Joseph Daoust, Ernest Miville Deschênes, Auguste Desilets, K.C., O. Desjardins, Henri des Rivières, Wilfrid Déziel, Dr. Eudore Dubeau, Messrs J. A. Dulude, Francis Fauteux, K.C., Horace J. Gagné, K.C., A. Gérin-Lajoie, K.C., W. A. Gervais, J. Nap. Gosselin, C. E. Gravel, Paul Guimond, S. A. Hart, Joseph Hurtubise, Raymond Hurtubise, Marc Jarry, J. Edouard Labelle, K.C., J. I. LaBrosse, Yvon Lamarre, L. P. Lamontagne, Ch. Laurendeau, K.C., A. L'Ecuyer, Beaudry Leman, Jules Lemire, Léon Lorrain, C. A. Lusier, A. J. Major, F. M. Marcotte, J. E. Mercille, René Morin, Hon. Jacob Nicol, K.C., Mr. Châteauguay Perrault, Mr. Justice Gustave Perrault, Hon. J. E. Perrault, Messrs J. Aldéric Raymond, Ulric Roberge, Leo G. Ryan, Rodrigue St-Onge, Charles St-Pierre, William St-Pierre, Henri Sauvé, Pierre de L. Taché, Eugène Tarte, Arthur Terroux, J. C. Thivierge, Lucien Tremblay, J. A. Trudeau, Ludger Venne.

It was moved by Mr. L. E. Beaulieu, seconded by Mr. Horace J. Gagné, that Mr. Beaudry Leman be appointed Chairman and Mr. Léon Lorrain Secretary of the Meeting. The motion was unanimously carried.

The notice of the Meeting published in the newspapers and certificates to the effect that such notice, together with a form of proxy, the record of attendance of the Directors at Board Meetings and a copy of the Minutes of the Annual General Meeting held on January 8, 1941, had been sent to every shareholder, according to law, were read by the Secretary.

The Record of proceedings at the sixty-sixth Annual General Meeting having been mailed to every shareholder, as evidenced by the certificate just read, it was moved by Mr. Beaudry Leman, seconded by Mr. Charles Laurendeau, and unanimously resolved that this record of proceedings be taken as read and confirmed.

On motion by Mr. Horace J. Gagné, seconded by Mr. L. E. Beaulieu, it was unanimously resolved that Messrs J. A. Trudeau and Joseph Hurtubise be appointed scrutineers.

The Chairman called upon the General Manager to read the Sixty-seventh Annual Report of the Board of Directors.

SIXTY-SEVENTH ANNUAL REPORT

Gentlemen,

Your Directors have the honour to submit their report on the Bank's operations for the financial year ending November 29, 1941.

PROFIT AND LOSS ACCOUNT

29th NOVEMBER, 1941

Balance at credit of Profit and Loss Account, 30th November, 1940.....		\$ 251,037.94
Profits for the year ended 29th November, 1941, after providing \$60,000 for Staff Pension Fund and \$251,628.98 for Dominion and Provincial Taxes and making appropriations to Contingent Reserve Fund, out of which account full provision for bad and doubtful debts has been made.....		811,351.35
		<u>\$ 1,062,389.29</u>
Dividend No. 200, paid 1st March, 1941.....	\$ 140,000.00	
" " 201, paid 1st June, 1941.....	140,000.00	
" " 202, paid 1st September, 1941.....	140,000.00	
" " 203, payable 1st December, 1941.....	140,000.00	
	<u>560,000.00</u>	
Written off Bank Premises.....	125,000.00	
Provision for payment to the Province of Quebec, Statute 14, Geo. V, Ch. 3.....	125,000.00	810,000.00
		<u><u>\$ 252,389.29</u></u>
Balance at credit of Profit and Loss Account, 29th November, 1941.....		

A. COURTOIS
Chief Accountant

C. ST-PIERRE
General Manager

BEAUDRY LEMAN
President

BALANCE SHEET

29th NOVEMBER, 1941

ASSETS

Gold held in Canada.....	\$	10.00	
Subsidiary coin held in Canada.....		571,503.31	
Notes of Bank of Canada.....		5,727,709.75	
Deposits with Bank of Canada.....		12,019,454.61	
Notes of other chartered banks.....		102,105.00	
Government and bank notes other than Canadian.....		37,758.56	
Cheques on other banks.....		5,908,353.02	
Deposits with and balances due by other chartered banks in Canada.....		1,810,830.11	
Balances due by banks and banking correspondents elsewhere than in Canada.....		1,774,743.65	\$ 27,952,468.01
Dominion and Provincial Government direct and guaranteed securities (maturing within two years), not exceeding market value.....		33,026,518.91	
Other Dominion and Provincial Government direct and guaranteed securities, not exceeding market value.....		22,715,949.09	
Canadian municipal securities, not exceeding market value.....		14,624,051.65	
Public securities other than Canadian, not exceeding market value.....		11,673.70	
Other bonds, debentures and stocks, not exceeding market value.....		4,334,470.56	
	\$	74,712,663.91	
Call and short (not exceeding thirty days) loans in Canada on stocks, debentures, bonds and other securities, of a sufficient marketable value to cover.....		3,457,481.57	78,170,145.48
			\$106,122,613.49
Current loans and discounts in Canada, not otherwise included, estimated loss provided for.....		49,966,485.61	
Loans to Provincial Governments.....		319,533.00	
Loans to cities, towns, municipalities and school corporations.....		7,327,049.35	
Non-current loans, estimated loss provided for.....		179,572.89	57,792,640.85
Liabilities of customers under acceptances and letters of credit as per contra.....		334,832.60	
Real Estate other than Bank premises.....		1,543,157.51	
Mortgages on real estate sold by the Bank.....		644,941.90	
Deposit with the Minister of Finance for the security of note circulation.....		215,611.80	
Bank premises at not more than cost, less amounts written off.....		4,754,714.85	
Other assets not included under the foregoing heads.....		178,255.88	7,671,514.54
			<u>\$171,586,768.88</u>

LIABILITIES

Capital paid up.....	\$	7,000,000.00	
Reserve fund.....		5,000,000.00	
Balance of Profit and Loss Account (after deducting payments to the Province of Quebec, Statute 14, Geo. V, Ch. 3).....		252,389.29	
Dividends declared and unpaid.....		5,215.92	
Dividend payable 1st December, 1941.....		140,000.00	\$ 12,397,605.21
Notes of the Bank in circulation.....		3,606,662.00	
Deposits by and balances due to Dominion Government....		4,911,973.00	
Deposits by and balances due to Provincial Governments..		2,406,175.80	
Deposits by the public not bearing interest.....		37,772,801.45	
Deposits by the public bearing interest, including interest accrued to date of statement.....		108,306,208.23	
Deposits by and balances due to other chartered banks in Canada.....		1,115,351.77	
Deposits by and balances due to banks and banking correspondents in the United Kingdom and foreign countries.....		693,270.04	158,812,442.29
Acceptances and letters of credit outstanding.....			334,832.60
Liabilities to the public not included under the foregoing heads.....			41,888.78
			<u>\$171,586,768.88</u>

AUDITORS' REPORT TO THE SHAREHOLDERS

We beg to report to the Shareholders of Banque Canadienne Nationale that we have checked the cash, and verified the securities of the Bank at the Chief office as at 29th November, 1941, as well as at another time during the year, and found they agreed with the entries in the books in regard thereto.

We have examined the books and accounts at Head Office and have compared the above Balance Sheet with these books and with the certified returns from the branches. In our opinion, the Balance Sheet is properly drawn up so as to disclose the true condition of the Bank as at 29th November, 1941, according to the best of our information and the explanations given us, and is as shown by the books of the Bank.

We have obtained all the information and explanations required by us, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

MAURICE CHARTRE, C.A. of Chartré, Samson & Cie	} Auditors.
W. GARTH THOMSON, C.A. of Peat, Marwick, Mitchell & Co.	

Montreal, 20th December, 1941.

BEAUDRY LEMAN
President

C. ST-PIERRE
General Manager

A. COURTOIS
Chief Accountant

Net profits of \$811,351 shown in the Profit and Loss Account are approximately the same as the previous year's, which were \$812,588, although Dominion and Provincial taxes increased from \$233,563 to \$251,629 in 1941. It is of interest to note that the ratio of profits to total assets of the ten Canadian chartered banks had fallen from .46% in 1939 to .44% in 1940, notwithstanding the stimulus to business of war expenditures. The statements issued thus far by the banks indicate that this ratio will be lower in 1941. As far as our Bank is concerned, the ratio of profits to total assets was .51% in 1939, .52% in 1940 and .49% last year.

The allocation of profits was the same as last year, to wit: \$560,000 in dividends, \$125,000 to the Province of Quebec, under 14 George V, chapter 3, \$125,000 for depreciation of premises and \$60,000 to the Staff Pension Fund. The balance at credit of Profit and Loss Account was \$252,389, against \$251,038 on November 30, 1940.

Deposits reached a new high of \$153,397,158, in comparison with \$139,676,666 a year before. Deposits by the public not bearing interest, higher by \$5,778,251, amount to \$37,772,801, and deposits by the public bearing interest, which increased by \$5,818,243, stand at \$108,306,208, the highest of record. Dominion Government deposits rose by some two and a half millions, while Provincial Government deposits are slightly lower.

Total assets, showing an increase of over twelve and a half millions, aggregate \$171,586,768, a high for this Bank. Cash assets of \$27,952,468, as compared with \$26,131,253 in 1940, represent 17.59% of liabilities to the public. Quick assets have passed from \$91,088,996 a year ago to \$106,122,613 at the date of the statement. They are equal to 66.80% of liabilities to the public, against 62.36% in 1940. Investments, consisting mainly of high grade short term securities, stand at \$74,712,664, in comparison with \$60,996,810 last year.

Current loans and discounts total \$49,966,486, against \$49,586,894 last year. Our clients did not call upon the Bank for credit facilities to the extent we would have desired. The combined commercial loans of the ten Canadian chartered banks, as of 31st October, 1941, although showing a substantial increase, are not in keeping with the much greater economic activity manifest during the year. The reason is to be found in the fact that most armament and munition plants are financed or operated by the Government.

The Balance Sheet discloses that, on November 29 last, the notes of the Bank in circulation amounted to \$3,606,662, against \$4,181,135 a year ago. The chartered banks' note issue privilege, under the provisions of the Bank Act of 1934, is now restricted to 55% of their paid up capital. The notes of the Bank of Canada are gradually replacing those of the chartered banks. This is evidenced by the figures of the notes of the chartered banks in the hands of the public,

amounting to some 82 million dollars, whereas the active circulation of Bank of Canada notes rose from 106 million dollars in 1938, the last pre-war year, to 244 millions in October 1940 and to 344 millions on November 26 last.

A rapid increase of monetary instruments coincident with a growing scarcity of consumer goods makes for inflation, and the index of the cost of living reflects these conditions. In order to cope with the situation, the Government has taken various measures such as higher taxes, which absorb a part of the surplus purchasing power of the public, and, more recently, ceilings for wages and prices, for the purpose of curbing the ill-effect of the vicious spiral of mounting prices. It is to be hoped that the public will endeavor to assist in discouraging inflation, as they already know of its disastrous consequences, and that they will co-operate with the Government to insure the successful operation of these measures of control.

During the past year, the members of the staff have performed their tasks satisfactorily, and it is fitting to commend the devotion with which, in these difficult circumstances, the employees have served both the Bank and its clients.

THE PRESIDENT'S ADDRESS

Gentlemen,

My foremost duty is to render, on behalf of the shareholders, a tribute of respect to the memory of the late Honourable D. O. L'Espérance who passed away suddenly on 31st August last. The Senator, whose presence will be sorely missed by his colleagues, had been during eighteen years a member of the Board of Directors of this Bank. His wide-spread business experience and thorough knowledge of economic conditions in the province of Quebec enabled Senator L'Espérance to contribute to the progress of the Bank whilst his devotion to its interests was unflinching.

On 31st October, your Board called to its council Mr. L. J. Adjutor Amyot, of Quebec City, an outstanding industrialist and financier. We are confident that his collaboration will be very valuable to the Bank.

In moving the adoption of the annual report of the Bank, which Mr. Charles St-Pierre, General Manager, has just read, I should like to add a few remarks on business conditions.

Agricultural Production

You will recall that, in the course of last year, the Dominion Government sought to restrict the areas sown to wheat in the

Prairie Provinces, through a system of indemnities to the wheat producers. On these restrictive measures were superimposed unfavourable growing conditions, with the result that the crop will not exceed 306 million bushels, which amount corresponds approximately to domestic requirements and the prospective demand for export trade, during the present crop year. However, taking into account the bountiful crop of the preceding year, which totalled up to 550 million bushels, the carry over now exceeds the record amount of 500 million bushels. In pursuance of arrangements recently made, we will ship this year about 120 million bushels of wheat to Great Britain, thereby lowering the stocks on hand.

The gross value of Canadian field crops in 1941 will add up to about 649 million dollars, being some 33 million dollars less than in 1940. Our exports of wheat, of various other foodstuffs and of meats show a slight improvement over the preceding year and should increase the purchasing power of the farmers.

Mining Industry

Mining was carried on actively during the whole of last year. Our output of gold for the first nine months exceeds four million ounces, representing a value of more than 154 millions of dollars, and the total for the twelve months will doubtless exceed 200 millions. The production of coal is slightly above the figures of last year. There are no statistics issued during the war in regard to the mining of base metals, but the figures pertinent to exports indicate an increase over those for 1940, although the latter were already at a record high. The demand for base metals will be so large, both in Canada and in the United States, that the output in the two countries, although very considerable, will be below requirements. It is already urgent to foster the production of copper, nickel, lead and zinc.

Forestry

Forestry operations were more active than during 1940. The pulp and paper industry increased its exports to the United States, which Country absorbs the bulk of its production. The difficulty of securing shipping space has curtailed our exports of lumber to the United Kingdom, but the vast construction programme of the Canadian Department of Munitions and Supply has increased the demand on the domestic market.

Industrial Activity

The production of hydro-electric energy, which is an infallible barometer of industrial activity, established a new record in 1941. The iron and steel industry has turned out the greatest tonnage in

its history. However, the volume is still below the requirements of a growing armaments and shipbuilding industry. A number of steel mills are undertaking improvements and enlargements. This can also be said of a number of metallurgical plants. It has been stated that the output of aluminium had increased fivefold in the course of the last twelve months.

Manufacturing shows substantial progress and the output has established a new record. This increase covers nearly all branches, but has been particularly pronounced in machine shops and in the automobile and tire industries. The mills working on consumers' goods show a marked increase, notably the flour mills, abattoirs, packing, cotton mills, boot, shoe and tobacco factories.

Although domestic consumption shows some increase, doubtless due to wider employment, the enlarged output reflects a greater demand from outside markets.

Building contracts for the first eleven months of 1941 aggregate some 375 million dollars, an increase of 16.7% over the figures of the same period of the preceding year, but the building trades show some signs of slowing down as the building programme for military purposes is far advanced. The influence of war construction in Canada was very considerable during the last two years.

Employment

The index of employment disclosed, on 1st of October last and this for the ninth successive month, an advance in the number of employees at work. This is the longest period of uninterrupted improvement recorded by the index, established some twenty-one years ago. According to the Dominion Bureau of Statistics, since the beginning of the war, some 50,000 additional persons have found work monthly, private industry absorbing about 37,000 and the army recruiting some 13,000. It is estimated that one-quarter of this total is represented by new employees after school-leaving and three-quarters by former unemployed or by persons who were not workers or who were working on their own account. It would seem that, in the very near future, it will become necessary to find some method of allocating available man-power between war industries and consumers' goods industries.

Foreign Trade

For the first ten months of 1941, Canada's foreign trade, excluding gold, amounted in the aggregate to 2,497 million dollars, in comparison with 1,841 millions during the same period of 1940. Our imports totalled 1,189 millions, an increase of 312 millions. Our exports added up to 1,308 millions, a gain of 344 millions. Our favourable balance of trade, which was 87 millions for the same period of 1940, has risen to 119 million dollars. About 78% of our

foreign trade was carried on with Great Britain and the United States. Our imports from the United Kingdom, amounting to about 113 millions, show a reduction of some two million dollars, whereas our imports from the United States have increased by more than 200 millions, having risen from 600 to 816 millions of dollars. Our exports to the United Kingdom total 549 millions and our exports to the United States, some 478 millions.

These impressive figures should not make us lose sight of the improvement in our foreign trade with other countries in South America with which we have negotiated trade treaties. Some of the advantages we have gained in foreign markets are the result of the absence of competition due to the war. The restrictive measures applicable to many branches of Canadian production may jeopardize our opportunity to secure for the future these markets which would be very valuable when the war is over. It is gratifying to hear that the Canadian Minister of Trade and Commerce is seeking the means of consolidating the advantages obtained for our export trade.

Business relations with the United States

The balance of trade with the United States, for the first ten months of 1941, was unfavourable by an amount of 339 million dollars. This deficit will doubtless exceed, for the whole of the year, 400 million dollars, against 116 millions for 1939. Additionally, we are obligated to pay to American holders of Canadian stocks and bonds, dividends and interest aggregating about 260 millions of dollars. As a set-off, we ship to the United States the bulk of our gold, amounting to some 200 million dollars in the course of last year. Although tourist travel from Canada to the United States is restricted, we endeavour to attract American visitors to Canada. This American tourist traffic is estimated to have left in Canada, in the course of 1941, some 150 million dollars. The comparison of the credit items of 350 millions and of the debit items of 660 millions places in bold relief the gravity of the exchange problem.

Activity not Prosperity

The war has cost Canada, since its inception, about one and a half billion dollars and the tempo is presently about 100 million dollars the month. In addition thereto, Canada finances Great Britain for the purchase of war material, munitions and foodstuffs, on a scale which will add up to nearly 1,500 millions for the present fiscal year.

A great many people find in this abnormal economic activity a temporary betterment of their personal condition and are thereby inclined to mistake activity for prosperity. No greater delusion can be entertained than the hope that a country or its citizens can secure

lasting material benefits from war, which is waste and destruction of materials, labour and capital. As the State runs into debt, it appropriates, through taxation, the products of the toil of its nationals. Deficit spending and borrowing has its limits that are to be found somewhere along the border line separating the total production of a country and the minimum to which consumption may be reduced. Sooner or later, the cost of war must be paid for in toil and self-denial.

Taxation and the Aftermath

To meet the very heavy costs of war, the Government must resort both to taxation and borrowing. The Minister of Finance acknowledges that we are already approaching the limit of what may be secured through taxation. It is to be expected that henceforth greater dependence will be placed on loans.

The imposts which have been mounting since the beginning of hostilities and particularly so during the last year, now bear so heavily on the taxpayer that he is deprived of a large share of his toil, of his savings and of his initiative. Was Calvin Coolidge endowed with greater foresight than he was given credit for, when, as President of the United States, he stated: "No matter what any one may say about making the rich and the corporations pay the taxes, in the end they come out of the people who toil. No system has ever been devised under which any person living in the United States could escape being affected by the cost of our Government. It is felt in the price of those prime necessities of existence: food, clothing, fuel, shelter. I want the people of America to be able to work less for the Government and more for themselves. I want them to have the rewards of their own industry. That is the chief meaning of freedom."

Excessive taxation is apt to jeopardize the financial stability of many undertakings. Without seeking to restrict Canada's war effort, is it not desirable to keep the future in mind? When hostilities cease, the re-employment, as rapidly as possible, of many hundreds of thousands of men whose services will become available through demobilization and the closing of munitions and armament factories, will become imperative. This question, difficult in all countries, becomes embarrassing in younger countries like Canada where accumulated capital is relatively small and where the bulk of the population is dependent on its toil for its livelihood. Official statistics indicate that out of the total national revenue in Canada a proportion of only 14% is derived from property income, that is from dividends, interest and rentals.

Canada's Public Debt

Last year's Victory Loan will be followed next month by a new loan of some 500 million dollars. The Dominion will no doubt

make further appeals later on. When peace is restored, the public debt of Canada will doubtless be much larger than that which was incurred during the last war. Its amount is not, however, the sole aspect to be considered. The loans now being negotiated bear a much lower rate of interest than the rates which were effective some twenty-five years ago. Moreover, it is pertinent to bear in mind that the present indebtedness is owing to Canadian citizens and that the interest payments restore to the Canadian economy important sums of money, thereby exerting a favourable influence on trade.

Free Enterprise or State Control

The question which is foremost in the mind of those who are concerned with post-war problems is one related to our social and economic structure. What measure of economic freedom will the post-war world enjoy? The democracies have been compelled, for the sake of speed and efficiency, to adopt methods which are part and parcel of the totalitarian philosophy. Will these restraining measures become permanent or will the Governments loosen their hold on all forms of economic activity?

It is becoming more apparent every day that the magnitude of some of the problems to be solved will be such that they will have to be dealt with on the basis of international understandings. The last quarter of a century has evidenced the interdependence of the nations of the world. After the present war, certain regions will hold an excess of raw materials which will be sorely needed in other countries to start anew the wheels of industry and to provide the source of livelihood for huge populations. The United States has already taken the initiative of calling a Conference of representatives of the principal wheat-growing countries and will no doubt convene other meetings for the purpose of studying matters pertaining to the production and the distribution of basic raw materials as well as to questions related to transportation. Canada will surely be called upon to take part in a number of these international agreements.

We have given a brief outline of economic developments in Canada during the year 1941. Under present circumstances, it would be presumptuous to hazard forecasts. On the threshold of this new year, the world is engaged in a conflict which involves all five continents. Humanity is in the throes of a crisis without precedent. It would be futile to seek comfort in a blind optimism. We must place our faith in Providence hoping that these days of trial may be shortened and that we may be given the strength fully to discharge our duty.

The scrutineers reported that 3,219 shares were present and 28,732 represented by proxy at the Meeting, a total of 31,951 shares, which was the equivalent of 45.6% of the number of shares outstanding.

It was moved by Mr. Beaudry Leman, seconded by Mr. Charles Laurendeau, and unanimously resolved, that the Sixty-seventh Annual Report of the Board of Directors be approved by the Shareholders.

Hon. J. E. Perrault, seconded by Mr. Arthur Terroux, moved that the Meeting tender its congratulations to the President, the Vice Presidents and the other members of the Board on the efficient administration of the affairs of the Bank. The present trying conditions accentuate the vital function of an institution such as our Bank whose activities are intimately associated with the economic life of the country.

The motion was unanimously carried.

The President thanked the Meeting, on behalf of his colleagues as well as in his own name, and expressed the hope that, with the cooperation of the Shareholders, the Bank may continue to develop its business.

It was moved by Mr. J. E. Labelle, seconded by Mr. Ludger Venne, that the thanks of the Shareholders be tendered to the General Manager and to the members of the staff for their faithful services during the past year.

The President availed himself of this opportunity to point out to the Meeting that the Bank was greatly honored through the election of its General Manager to the presidency of the Canadian Bankers' Association. If the choice of Mr. St-Pierre did not cause us a surprise as we are aware of his qualifications, nevertheless, under present circumstances, this high office carries with it heavy responsibilities.

The motion was unanimously carried.

Mr. St-Pierre thanked the President and remarked that it was the representative of Banque Canadienne Nationale who was selected as President of the Association and that, moreover, he had merely followed the example set by Mr. Leman, who was President of the Canadian Bankers' Association, some ten years ago. Mr. St-Pierre, on his own behalf and on behalf of the staff of the Bank, then expressed their appreciation for the words of commend of the Shareholders.

The Secretary read letters from Mr. Maurice Chartré, C.A., and from Mr. John W. Ross, C.A., offering their services to the Bank as auditors for the financial year 1941-1942.

Upon motion of Mr. J. A. Trudeau, seconded by Mr. Justice Gustave Perrault, it was unanimously resolved that Messrs Maurice Chartré, C.A., and John W. Ross, C.A., be appointed auditors, for the financial year ending November 30, 1942, and that their remuneration be set at a total amount not exceeding \$10,000 to be divided between them according to the time devoted by each to the affairs of the Bank.

It was moved by Dr. Eudore Dubeau, seconded by Mr. Eugène Tarte, and unanimously resolved: That, should normal relations between Canada and France be resumed, Mr. Beaudry Leman and Mr. Charles Laurendeau be authorized, together or each of them, to act as attorney or proxy of Banque Canadienne Nationale at any and all meetings of the shareholders of Banque Canadienne Nationale (France) and to delegate their powers as such to any person or persons which they may nominate.

Mr. Justice Perrault moved, seconded by Mr. Arthur Terroux, that the meeting proceed to the election of Directors and that one ballot, which he read, be cast evidencing the decision of the Meeting. This motion was unanimously carried.

The ballot was handed to the scrutineers who reported that the following Shareholders had been elected Directors of the Bank:

Mr. L. J. Adjutor Amyot
Hon. C. P. Beaubien
Mr. Armand Chaput
Mr. Auguste Desilets, K.C.
Sir George Garneau
Mr. C. E. Gravel
Mr. Charles Laurendeau, K.C.
Mr. Beaudry Leman
Mr. A. J. Major
Hon. Jacob Nicol
Mr. Leo G. Ryan

The scrutineers' report was unanimously confirmed.

The Meeting then adjourned.

At a meeting of the Board of Directors of the Bank held immediately after the Annual Shareholders' Meeting, Mr. Beaudry Leman was elected President and Managing Director of the Bank and Sir George Garneau and Mr. Charles Laurendeau were elected Vice Presidents.

CORRESPONDENTS OF THE BANK

CANADA

Bank of Montreal.

UNITED STATES

NEW-YORK:

Bankers Trust Co.
Chase National Bank.
National City Bank.
Irving Trust Company.
Guaranty Trust Company of New York.
New York Trust Company.
Public National Bank & Trust Co.

BOSTON:

First National Bank.
National Shawmut Bank.

BUFFALO:

Marine Trust Company.

CHICAGO:

Continental Illinois National Bank and Trust Co.

LOS ANGELES:

Security-First National Bank of Los Angeles.

PHILADELPHIA:

Philadelphia National Bank.

PITTSBURGH:

Mellon National Bank.

ST-PAUL:

First National Bank.

AFRICA

Barclays Bank (Dominion, Colonial and Overseas).

AUSTRALIA

Union Bank of Australia, Limited.
Comptoir National d'Escompte de Paris.

GREAT BRITAIN

LONDON:

Barclays Bank Limited.
Clydesdale Bank Limited.
Comptoir National d'Escompte de Paris.
Crédit Lyonnais.
Société Générale de Crédit Industriel et Commercial.

NEW ZEALAND

Bank of New Zealand.

SOUTH AMERICA

ARGENTINA:

First National Bank of Boston, Buenos Aires.

SPAIN

BARCELONA:

Banco Espanol de Crédito.

MADRID:

Crédit Lyonnais.

SWITZERLAND

BASLE:

Banque Commerciale de Bâle.

GENEVA:

Banque de Paris & des Pays-Bas.

ZURICH:

Société de Banque Suisse.

WEST INDIES

Barclays Bank (Dominion, Colonial and Overseas).

